

**IN THE CLAIMS:**

Please cancel claims 4-26 without prejudice or disclaimer.

Please add the following new claims 27-39 as shown below:

Claims 4-26 (canceled)

Claim 27 (new): A differential unit of a motor vehicle for transmitting a driving force to a pair of driving wheels while absorbing a rotational difference therebetween, comprising:

a case;

a differential mechanism accommodated in the case;

a drive pinion shaft for transmitting the driving force to the differential mechanism, said drive pinion shaft rotatably supported in the case with at least two bearings having an inner race, respectively; and

a tubular spacer having an inner diameter larger than an outer diameter of the drive pinion shaft, said spacer interposed between the inner races of the bearings such that the spacer covers the drive pinion shaft; and

said tubular spacer has at least one protruding section integrally formed on an inner surface thereof to protrude in a radial direction toward the drive pinion shaft, said protruding section being formed to extend along an entire inner peripheral direction of the tubular spacer and to have a cross sectional shape which is convex along a central direction of the tubular spacer so that an inner surface of the protruding section is arched.

Claim 28 (new): The differential unit according to claim 27, wherein said protruding section is configured so that said inner surface of the protruding section is close to an outer surface of the drive pinion shaft.

Claim 29 (new): The differential unit according to claim 27, wherein said protruding section is configured so that said inner surface of the protruding section contacts with an outer surface of the drive pinion shaft.

Claim 30 (new): The differential unit according to claim 27, wherein said protruding section is disposed at a central position along a central axial direction of the tubular spacer.

Claim 31 (new): The differential unit according to claim 30, wherein said protruding section is configured so that an inner surface thereof is arched along an overall central axial direction of the tubular spacer.

Claim 32 (new): The differential unit according to claim 27, wherein said protruding section is disposed at one end of the tubular spacer in a central axial direction of the tubular spacer.

Claim 33 (new): The differential unit according to claim 27, wherein said protruding section is disposed at both ends of the tubular spacer in a central axial direction of the tubular spacer, respectively.

Claim 34 (new): The differential unit according to claim 33, wherein the protruding section disposed at both ends extends radially inward an equal amount at each said end.

Claim 35 (new): The differential unit according to claim 33, wherein the protruding section disposed at both ends extends inward to a common diameter about the drive pinion shaft.

Claim 36 (new): The differential unit according to claim 27, wherein said bearings positioned to opposite sides of said tubular spacer are non-identical.

Claim 37 (new): The differential unit according to claim 36, wherein a first of said bearings is a pilot bearing and a second of said bearings is a tapered roller bearing.

Claim 38 (new): The differential unit according to claim 27, wherein said protruding section comprises a plurality of projections formed on the inner surface of the spacer to project in a radial direction of the spacer.

Claim 39 (new): The differential unit according to claim 38, wherein said plurality of projections are spaced apart at equal intervals in a circumferential direction of the spacer.